

074 - TREASURER-TAX COLLECTOR

Operational Summary

Mission:

To provide efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts.

Strategic Goals:

- Manage and preserve the investment of all service recipient funds.
- To collect all property taxes for service recipients in accordance with applicable laws.

Key Outcome Indicators:

Performance Measure	2004 Business Plan Results	2005 Business Plan Target	How are we doing?
NET INVESTMENT RETURN. What: Obtain a portfolio yield that meets or exceeds the 90-day US T-Bill and money market benchmarks. Why: To continue to provide safe, efficient and effective investment returns for our clients.	Interest rates remained at record lows. The Orange County Investment Pool consistently beat the 90-day US T-Bill.	Increase participants' earnings during the fiscal year.	On target.
ADMINISTRATION FEE CHARGED TO POOL PARTICIPANTS. What: To charge the lowest administration fee possible. Why: To provide a modest investment return to pool participants with minimum administrative costs.	Administration Fee stayed at 12.50 basis points (i.e., 0.125%).	Administration Fee was reduced to 11.25 basis points, as of January 1, 2005 (i.e., 0.1125%), and will remain there.	10% reduction in the Administration Fee.
RATING OF INVESTMENT POOLS. What: Maintain highest rating. Why: To assure safest money market practices are being followed.	The Commingled and the Educational investment pools retained their highest credit ratings. Moody's: Aaa MR1; Fitch: AAA/V1+	Invest conservatively to maintain the investment pools credit ratings of: Moody's: Aaa MR1; Fitch: AAA/V1+	On target.
STATE PROPERTY TAX COLLECTION RATES FOR SECURED AND UNSECURED PROPERTY. What: Exceed state property tax collection rates for Secured & Unsecured prop by minimizing unpaid taxes. Why: To maximize collections in property taxes for service recipients and County General Fund.	Collection percentage ratings for Secured and Unsecured taxes exceeded state median. The County of Orange Secured tax collection improved from 98.7% to 98.9% with a ranking of 3rd in the State. And Unsecured tax collection improved from 15th to 11th with a 97.6% collection.	To continue to exceed the state median.	On target.

At a Glance:

Total FY 2004-2005 Actual Expenditure + Encumbrance:	12,340,285
Total Final FY 2005-2006	14,234,217
Percent of County General Fund:	0.54%
Total Employees:	95.00

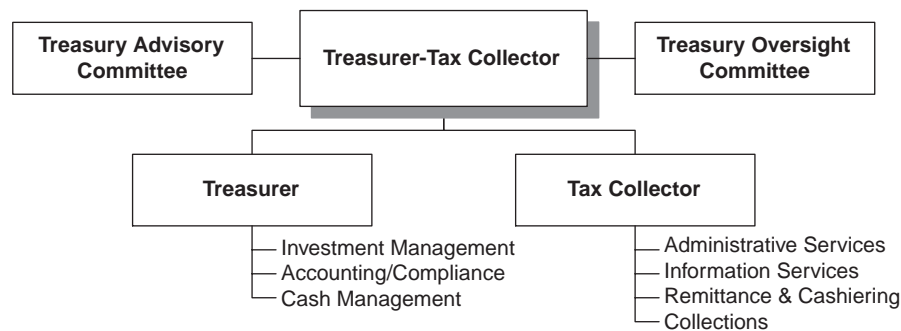
Key Outcome Indicators: (Continued)

Performance Measure	2004 Business Plan	2005 Business Plan	How are we doing?
	Results	Target	
ELECTRONIC PAYMENTS. What: Increase the number and amount of electronic tax payments received as a% of the taxes collected. Why: To reap the benefits of this payment method (i.e., cost effectiveness, efficiency, time savings).	Increased dollars collected electronically from 12% to 13% and the number of transactions paid electronically increased from 4% to 5%.	To increase electronic payments of taxpayers with tax liabilities equal to or greater than \$25,000.	On target.

FY 2004-05 Key Project Accomplishments:

- Completed the implementation of a new Automated Call Distribution system in conjunction with the implementation of a new Interactive Voice Response system that provides screen "pop-up" functionality.
- Completed negotiations for the purchase of a new software tool to manage requirements, design, development, and testing for a new property tax application.
- Improved network and system security as follows: 1) All Windows 9X PCs were upgraded to Windows 2000 or XP. 2) All Windows NT servers were upgraded to Windows 2000 Server or Windows 2003 Server.
- Obtained new skip tracing software that will allow the department to subscribe to a nationwide service for locating debtors.
- Reduced the administration fee, that is charged to the Investment Pool Participants, to 11.25 basis points from 12.50 basis points, as of January 1, 2005.
- Retained the following credit ratings on the Commingled and Educational investment pools: Aaa MR1 (Moody's) and AAA/V1+ (Fitch).
- Supplemental Delinquent Tax Bill Collection Program implemented utilizing funds from the State AB 589 Grant. Two Limited-Term Tax Compliance Officers were hired and two Limited-Term Office Assistant positions were approved.

Organizational Summary



Treasurer-Tax Collector - Provides centralized treasury and tax collection services for the County of Orange.

Treasurer - Responsible for the receipt, custody, depository, investment and recording of funds for the County, school districts and special districts. Responsibilities also include issuance of short-term debt on behalf of the County and school districts. In addition, this office acts as trustee in connection with unclaimed property and is responsible for the issuance, billing, collection, redemption and foreclosure of improvement bonds.

Investment Management: Provide portfolio management, broker/dealer relations, investment/economic research, and liaison for oversight committees and custody relation services.

Cash Management: Provide bank-related services and relationship management, cash optimization and forecasting, and financial electronic commerce solutions.

Accounting/Compliance: Provide financial reporting, fund accounting, general ledger reconciliations, bank reconciliations, investment accounting and compliance services, and accounting for unclaimed monies.

Tax Collector - Responsible for collecting taxes on all Secured and Unsecured property in Orange County. This office is also responsible for the sale of property subject to the "power to sell," formerly known as delinquent tax deeded property. In addition to collecting property taxes, the Tax Collector's Office collects Annual Racehorse Taxes, Transient Occupancy Taxes and Public Defender judgments.

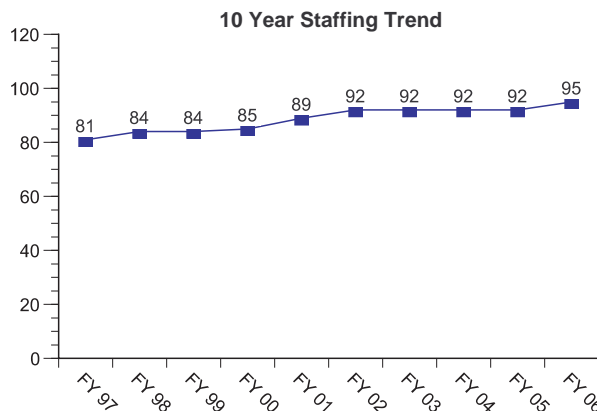
Collections: Provide centralized tax compliance services for Delinquent Unsecured tax collections, Prior Year Secured property tax collections, Public Defender judgment collections, public information services, property tax problem payment processing and general correspondence.

Remittance & Cashiering: Provide automated remittance processing for all property tax rolls, refund accounting, tax roll accounting and cashiering for the Treasurer.

Administrative Services: Provide tax roll reconciliations, purchasing, contract administration, human resources, payroll services, budget, facility operations, telephone and network services for the Treasurer and Tax Collector Offices.

Information Technology: Provide systems development and maintenance support for numerous Treasurer-Tax Collector applications required for the depositing, accounting and collecting of funds.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- As a result of the reorganization plan approved for the department, effective November 12, 2004, staffing level has decreased by a net of one position. In addition, 2 Limited-Term Tax Compliance Officers were added as part of the FY 04-05 1st Quarter Budget Report, and 2 Limited-Term Office Assistant positions were approved with the FY 04-05 3rd Quarter Budget Report, to assist with the collection of Delinquent Unsecured Supplemental Tax bills. All four of these positions are funded by the State AB 589 - Property Tax Administration Grant Program. The department anticipates eliminating one position during FY 05-06 due to the increased acceptance of electronic payment methods by taxpayers.
- Despite the modest increase in staffing during this time, as workloads have continued to grow (the number of real property tax bills increased to over 792,000), the department has continued to excel in providing efficient and effective investment, cash management and property tax collection services for the County, cities, special districts and school districts, as evidenced by the following: 1) The highest ratings, Aaa MR1 (Moody's) and AAA/V1+ (Fitch), continue to be maintained for the investment pools; and 2) Collection percentage ratings for the Secured and Unsecured tax rolls continue to exceed the State median.

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Treasurer-Tax Collector will continue to pursue all major year 2005 service plan goals in support of County strategic priorities. The department will also continue to provide an effective, responsive and competitive organizational and operating structure. Staff will work diligently to meet our core business responsibilities of collecting and investing, while supporting the successful implementation of new corporate programs.

Changes Included in the Base Budget:

Significant changes in the base budget include: a) Increase in Salaries and Employee Benefits by \$274,860, which is primarily attributed to increased Retirement costs, and the payoff of Annual Leave balances to employees who will be retiring in FY 2005-2006; b) Increase in Services and Supplies by \$394,304, which is primarily due to increased costs for Merchant Services; c) Two Limited-Term Tax Compliance Officers were hired and two Limited-Term Office Assistant positions were approved to work on the Supplemental Delinquent Tax Bill Collection Program, which will be funded from the State AB 589 - Property Tax Administration Grant Program.

Final Budget History:

Sources and Uses	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual Exp/Rev	Budget As of 6/30/05	Actual Exp/Rev ⁽¹⁾ As of 6/30/05	Final Budget	Actual Amount	Percent
Total Positions	92	95	95	95	0	0.00
Total Revenues	9,671,890	9,868,159	8,766,137	10,507,422	1,741,285	19.86
Total Requirements	12,912,626	13,500,604	12,342,418	14,234,217	1,891,799	15.32
Net County Cost	3,240,736	3,632,445	3,576,281	3,726,795	150,514	4.20

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2004-05 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Treasurer-Tax Collector in the Appendix on page page 535

Highlights of Key Trends:

- The Treasurer-Tax Collector is an administrative function that is task-oriented. The department expects its investment results to consistently outperform its bench-

marks, and will continue to provide its constituents with efficient and effective investment, cash management and property tax collection services.

Budget Units Under Agency Control:

No.	Agency Name	Treasurer-Tax Collector	Treasurer	Tax Collector	Total
074	Treasurer-Tax Collector	422,986	4,811,126	9,000,105	14,234,217
107	Remittance Processing Equipment Replacement	391,866	0	0	391,866
	Total	814,852	4,811,126	9,000,105	14,626,083

107 - REMITTANCE PROCESSING EQUIPMENT REPLACEMENT

Operational Summary

Description:

Establish reserves for the replacement of Remittance Processing Equipment.

At a Glance:

Total FY 2004-2005 Actual Expenditure + Encumbrance:	2,034
Total Final FY 2005-2006	391,866
Percent of County General Fund:	N/A
Total Employees:	.00

Budget Summary

Final Budget History:

Sources and Uses	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual Exp/Rev	Budget As of 6/30/05	Actual Exp/Rev ⁽¹⁾ As of 6/30/05	Final Budget	Actual Amount	Percent
Total Revenues	439,569	344,321	170,585	391,866	221,281	129.71
Total Requirements	318,073	344,321	204,423	391,866	187,443	91.69
Balance	121,496	0	(33,838)	0	33,838	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2004-05 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Remittance Processing Equipment Replacement in the Appendix on page page 550

074 - Treasurer-Tax Collector

Summary of Final Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual Exp/Rev	Budget As of 6/30/05	Actual Exp/Rev ⁽¹⁾ As of 6/30/05	Final Budget	Actual Amount	Percent
Fines, Forfeitures & Penalties	\$ 0	\$ 0	\$ 6,616	\$ 7,400	\$ 784	11.85%
Intergovernmental Revenues	718,273	448,900	606,385	627,400	21,015	3.46
Charges For Services	8,568,023	8,597,259	8,060,321	9,800,622	1,740,301	21.59
Miscellaneous Revenues	385,594	822,000	92,815	72,000	(20,815)	-22.42
Total Revenues	9,671,890	9,868,159	8,766,137	10,507,422	1,741,285	19.86
Salaries & Benefits	6,134,657	6,583,508	6,185,782	6,825,030	639,248	10.33
Services & Supplies	7,030,077	7,141,985	6,703,308	7,918,782	1,215,474	18.13
Services & Supplies Reimbursements	(158,779)	(312,621)	(165,274)	(357,265)	(191,991)	116.16
Fixed Assets	77,213	331,000	40,013	122,000	81,987	204.90
Other Financing Uses	200,000	200,000	0	200,000	200,000	0.00
Intrafund Transfers	(370,543)	(443,268)	(421,410)	(474,330)	(52,920)	12.55
Total Requirements	12,912,626	13,500,604	12,342,418	14,234,217	1,891,799	15.32
Net County Cost	\$ 3,240,736	\$ 3,632,445	\$ 3,576,281	\$ 3,726,795	\$ 150,514	4.20%

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2004-05 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Final Budget Summary of Treasurer-Tax Collector:

Revenues/Appropriations	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual Exp/Rev	Budget As of 6/30/05	Actual Exp/Rev ⁽¹⁾ As of 6/30/05	Final Budget	Actual Amount	Percent
Charges For Services	\$ 802,731	\$ 398,988	\$ 1,301,775	\$ 418,399	\$ (883,376)	-67.85%
Miscellaneous Revenues	15,482	0	5,077	0	(5,077)	-100.00
Total Revenues	818,213	398,988	1,306,852	418,399	(888,453)	-67.98
Salaries & Benefits	503,726	353,113	548,863	371,979	(176,884)	-32.22
Services & Supplies	430,596	39,488	568,127	50,513	(517,614)	-91.10
Fixed Assets	278	3,293	1,211	495	(716)	-59.13
Total Requirements	934,599	395,894	1,118,200	422,987	(695,213)	-62.17
Net County Cost	\$ 116,386	\$ (3,094)	\$ (188,652)	\$ 4,588	\$ 193,240	-102.43%

Final Budget Summary of Treasurer:

Revenues/Appropriations	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual Exp/Rev	Budget As of 6/30/05	Actual Exp/Rev ⁽¹⁾ As of 6/30/05	Final Budget	Actual Amount	Percent
Intergovernmental Revenues	\$ 718,273	\$ 448,900	\$ 606,385	\$ 627,400	\$ 21,015	3.46%
Charges For Services	5,931,778	4,778,623	5,689,893	4,598,837	(1,091,056)	-19.17
Miscellaneous Revenues	1,200	0	0	0	0	0.00
Total Revenues	6,651,251	5,227,523	6,296,278	5,226,237	(1,070,041)	-16.99
Salaries & Benefits	1,218,826	1,284,004	1,203,130	1,236,158	33,028	2.74
Services & Supplies	3,380,624	3,312,451	3,081,365	3,769,933	688,568	22.34
Services & Supplies Reimbursements	(158,779)	(137,700)	(150,834)	(184,350)	(33,516)	22.22
Fixed Assets	1,043	117,566	12,834	59,307	46,473	362.11
Other Financing Uses	200,000	200,000	0	200,000	200,000	0.00
Intrafund Transfers	(212,666)	(259,000)	(242,392)	(269,920)	(27,528)	11.35
Total Requirements	4,429,048	4,517,321	3,904,103	4,811,128	907,025	23.23
Net County Cost	\$ (2,222,203)	\$ (710,202)	\$ (2,392,175)	\$ (415,109)	\$ 1,977,066	-82.64%

Final Budget Summary of Tax Collector:

Revenues/Appropriations	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual Exp/Rev	Budget As of 6/30/05	Actual Exp/Rev ⁽¹⁾ As of 6/30/05	Final Budget	Actual Amount	Percent
Fines, Forfeitures & Penalties	\$ 0	\$ 0	\$ 6,616	\$ 7,400	\$ 784	11.85%
Charges For Services	1,833,514	3,419,648	1,068,653	4,783,386	3,714,733	347.60
Miscellaneous Revenues	368,912	822,000	87,737	72,000	(15,737)	-17.93
Total Revenues	2,202,425	4,241,648	1,163,006	4,862,786	3,699,780	318.12
Salaries & Benefits	4,412,105	4,946,391	4,433,789	5,216,893	783,104	17.66
Services & Supplies	3,218,857	3,790,046	3,053,816	4,098,336	1,044,520	34.20
Services & Supplies Reimbursements	0	(174,921)	(14,440)	(172,915)	(158,475)	1,097.44
Fixed Assets	75,893	210,141	25,968	62,198	36,230	139.52
Intrafund Transfers	(157,876)	(184,268)	(179,018)	(204,410)	(25,392)	14.18
Total Requirements	7,548,978	8,587,389	7,320,115	9,000,102	1,679,987	22.95
Net County Cost	\$ 5,346,553	\$ 4,345,741	\$ 6,157,109	\$ 4,137,316	\$ (2,019,793)	-32.80%